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Mailing Address:

P.O. Drawer 1126 Shreveport, LA 71163-1126

WM. TIMOTHY ALLEN, III

Direct: 318.934.0217 Email: tallen@bwor.com

March 8, 2006

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION

Unit Well at Exceptional Location CV RA SU71 and HOSS RA SU77

Caspiana Field

DeSoto and Red River Parishes, Louisiana

Our File No.410688.11

Dear Sir:

On behalf of STROUD PETROLEUM, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Cotton Valley Formation and Hosston Formation, Reservoirs A, in the Caspiana Field, DeSoto and Red River Parishes, Louisiana:

- 1. To permit the applicant to drill, designate and utilize the Stroud Petroleum, Inc. Calhoun No. 1 Well, as a unit well for CV RA SU71 and HOSS RA SU77, at the location shown on the plats attached hereto, in exception to the well spacing provisions of Office of Conservation Order No. 191-A, effective February 15, 1975, and Order No. 191-B, effective April 15, 1975.
- 2. To explicitly find that the abovesaid unit well is necessary to drain a portion of the Cotton Valley Formation and Hosston Formation, Reservoirs A, in the Caspiana Field underlying CV RA SU71 and HOSS RA SU77, which cannot be efficiently and economically drained by any existing well in such units.
- 3. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Zone, Reservoir A, in the Caspiana Field, DeSoto and Red River Parishes, Louisiana, is fully defined in Office of Conservation Order No. 191-A, effective February 15, 1975.

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The Hosston Formation, Reservoir A, in the Caspiana Field, DeSoto and Red River Parishes, Louisiana, is fully defined in Office of Conservation Order No. 191-B, effective April 15, 1975.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements, are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, Chase Tower, 400 Texas Street, Shreveport, Louisiana 71163-1126. Any person wishing to inspect such data should call Wm. Timothy Allen III at (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$1510.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII:kml Enclosures Wm. Timothy Allen III
Attorneys for Stroud Petroleum, Inc.

cc: Mr. James C. Broussard, Shreveport

District Manager (w/enclosures)

cc: Interested Owners, Represented Parties

and Interested Parties (w/copy of plats only)



